

Message Text

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ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 PRS-01 EB-03 INR-05 CIAE-00 NSC-05

NSCE-00 TRSE-00 OES-03 OMB-01 PM-03 SP-02 /044 W

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FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 0011

C O N F I D E N T I A L MEXICO 1142

LIMDIS

E.O. 11652: GDS

TAG: ENRG, BENC MX

SUBJ: ISPEMEX LOOKING FOR PARTNERS?

REF: MEXICO 959; 76 MEXICO 15994

1. SUMMARY: PEMEX IS RUMORED TO BE EXPLORING CONFIDENTIALLY WITH AT LEAST THREE U.S. INDEPENDENTS TO DEVELOP MEXICAN OIL RESOURCES. PREDICABLY, OPPOSITION IS COMING FROM LEFTISTS AND NATIONALIST GROUPS. END SUMMARY.

2. AS FORECAST IN REFTEL AND IN 76 MEXICO 15994, AMBASSADOR LEARNED IN CONVERSATION JANUARY 25, (REFTEL) WITH PRESIDENTIAL ADVISOR RAFAEL IZQUIERDO, PEMEX SIGNED A CONTRACT ON JANUARY 24, 1977, WITH THE FIRM OF DE GOLYER AND MACNAUGHTON TO CERTIFY MEXICO'S PETROLEUM RESERVES. THE FIRM IS HEADQUARTERED IN DALLAS.

3. AMBASSADOR ALSO LEARNED THAT ARMAND HAMMER RECENTLY VISITED MEXICO AND DISCUSSED THE POSSIBILITY OF A JOINT VENTURE BETWEEN PEMEX AND OCCIDENTIAL PETROLEUM. THE SOURCE CHARACTERIZED THE TERMS OF HAMMER'S PROPOSITION AS SIMILAR TO THOSE THAT MEXICO REJECTED WHEN IT NATIONALIZED THE OIL INDUSTRY IN 1938. HAMMER WAS CONFIDENTIAL

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DISAPPOINTED BY THE RESULTS OF THE TRIP AND RETURNED TO CALIFORNIA., BUT CONTINUES INTERESTED IN PETROCHEMICAL POSSIBILITIES.

4. A GROUP CONSISTING OF ZAPATA CORP., PROTEXSA (A MEXICAN PIPELINE BUILDER), AND PERFORACIONES MARINAS DEL GOLFO (PEMEX DIRECTOR DIAZ SERRANO ONCE HEADED

THIS DRILLING COMPANY) IS ALSO SEEKING A JOINT VENTURE WITH PEMEX TO DO OFFSHORE WORK. JORGE ESCALANTE, REPUTED TO BE A CLOSE FRIEND AND LONG-TIME BUSINESS COLLABORATOR OF DIAZ SERRANO, IS NOW PRESIDENT OF PERFORACIONES.

5. A THIRD GROUP CONSISTING OF THE JOHN MECOM CO., AND EXPLORACIONES DEL SUBSUELO, S.A., (HEADED BY GILBERTO HERNANDEZ, ANOTHER INTIMATE OF DIAZ SERRANO) WILL BE MAKING ITS PITCH TO PEMEX IN EARLY FEBRUARY. PETOFF HAS BEEN INVITED TO MEET WITH MECOM, ET AL., FEBRUARY 11-13 AND WILL REPORT MORE FULLY ON THEIR PROPOSAL. MECOM IS INTERESTED IN OFFSHORE DRILLING AND WORKOVER.

6. PRESS REPORTS INDICATE OPPOSITION TO FOREIGN PARTICIPATION IS BUILDING IN LEFTIST AND NATIONALISTS CIRCLES, INCLUDING THE SCIENCE FACULTY OF UNAM. IF MAY ALSO DEVELOP WITHIN PEMEX ITSELF, BUT AS YET NONE HAS SURFACED PUBLICLY.

7. COMMENT: EMBASSY FEELS THAT THERE IS A STRONG LIKELIHOOD THAT DIAZ SERRANO WILL SEEK SOME KIND OF WORKING ARRANGEMENT WITH A U.S. OFFSHORE COMPANY. UNLESS HE IS OVERRULED BY THE PRESIDENT FOR POLITICAL REASONS, SUCH A DEAL IS PROBABLE BEFORE THE END OF 1977. AS YET, TO EMBASSY'S KNOWLEDGE, INFORMATION IN PARAGRAPHS TWO THROUGH FIVE HAS NOT APPEARED IN PRESS, NEGOTIATIONS ARE BEING CARRIED OUT CONFIDENTIALLY SO PLEASE PROTECT INFORMATION.

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Message Attributes

Automatic Decaptioning: Z
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